

**STATE OF MICHIGAN**  
**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**  
**Before the Director of the Department of Insurance and Financial Services**

**In the matter of:**

**Origami Rehabilitation  
Petitioner**

**File No. 21-1846**

**v**

**Auto Club Insurance Association  
Respondent**

---

**Issued and entered  
this 17<sup>th</sup> day of February 2022  
by Sarah Wohlford  
Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On December 14, 2021, Origami Rehabilitation (Petitioner) filed with the Department of Insurance and Financial Services (Department) a request for an appeal pursuant to Section 3157a of the Insurance Code of 1956 (Code), 1956 PA 218, MCL 500.3157a. The request for an appeal concerns the determination of Auto Club Insurance Association (Respondent) that the Petitioner overutilized or otherwise rendered or ordered inappropriate treatment under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Petitioner's appeal is based on the denial of a bill pursuant to R 500.64(3), which allows a provider to appeal to the Department from the denial of a provider's bill. The Respondent issued the Petitioner a bill denial on November 23, 2021. The Petitioner now seeks reimbursement in the full amount it billed for the date of service at issue.

The Department accepted the request for an appeal on January 4, 2022. Pursuant to R 500.65, the Department notified the Respondent and the injured person of the Petitioner's request for an appeal on January 4, 2022 and provided the Respondent with a copy of the Petitioner's submitted documents. The Respondent filed a reply to the Petitioner's appeal on January 13, 2022.

The Department assigned an independent review organization (IRO) to analyze issues requiring medical knowledge or expertise relevant to this appeal. The IRO submitted its report and recommendation to the Department on February 4, 2022.

## II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for physical therapy treatment rendered on October 20, 2021 under Current Procedural Terminology (CPT) codes 97110 and 97112. These procedure codes are described as therapeutic exercise and neuromuscular re-education. In its *Explanation of Benefits* letter, the Respondent stated that the injured person had completed “in excess of 60 physical therapy visits since January 1, 2021,” and that the treatment at issue was not supported by the American College of Occupational and Environmental Medicine (ACOEM) guidelines. The Respondent stated that the submitted records noted continued deficits in endurance, tone, strength, transfers, and ambulation, and that no functional benefits from treatment were documented.

With its appeal request, the Petitioner explained that the injured person was involved in a motor vehicle accident (MVA) in 1992 which resulted in “severe traumatic brain injury (TBI) with extensive services provided by [the Petitioner] starting in 2016.” The Petitioner stated that the injured person had a home exercise program in place in 2016 and 2017. In a physical therapy evaluation from August 18, 2021, the Petitioner noted that the injured person was hospitalized in July of 2021 for pneumonia and sepsis and that the injured person lost overall strength and endurance during the COVID-19 pandemic. The Petitioner explained that, in addition to a TBI, the injured person was also diagnosed with the following conditions: chronic aspiration pneumonia, dysphagia, aphasia, impaired mobility, scoliosis, sepsis, and had a history of brain surgery and multiple fractures.

The Petitioner’s request for an appeal stated:

[The injured person] was hospitalized, and [his physician] wrote treatment orders for physical therapy to assist with weakness. The date of service [at issue] spoke of planning for discharge at the next session. Per the office note dated 11/08/2021, it shows that [the injured person] was discharged from physical therapy.

In its reply, the Respondent reaffirmed its position and stated that the at-issue treatment exceeds ACOEM guideline recommendations for TBI disorder and the Official Disability Guidelines (ODG) for physical/occupational therapy relating to pain recurrences. The Respondent stated in its reply:

Per history, it appears physical therapy has been provided since 8/18/2021. Opportunity has been provided to establish a home exercise and activity, program, regime. Based on the records reviewed and in conjunction with ACOEM and ODG guideline recommendations, denial of the 10/20/2021, physical therapy services are recommended.

### III. ANALYSIS

#### Director's Review

Under MCL 500.3157a(5), a provider may appeal an insurer's determination that the provider overutilized or otherwise rendered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under Chapter 31 of the Code. This appeal involves a dispute regarding inappropriate treatment and overutilization.

The Director assigned an IRO to review the case file. In its report, the IRO reviewer concluded that, based on the submitted documentation, medical necessity was supported on the date of service at issue and the treatment was not overutilized in frequency or duration based on medically accepted standards.

The IRO reviewer is a licensed physical therapist. In its report, the IRO reviewer referenced R 500.61(i), which defines "medically accepted standards" as the most appropriate practice guidelines for the treatment provided. These may include generally accepted practice guidelines, evidence-based practice guidelines, or any other practice guidelines developed by the federal government or national or professional medical societies, board, and associations. The IRO reviewer relied on American Physical Therapy Association (APTA) and Centers for Medicare and Medicaid Services (CMS) guidelines, in addition to medical literature, for its recommendation.

Based on the submitted documentation, the IRO reviewer explained that the injured person experienced a "functional decline" in his condition due to no longer being able to go to the gym and continue performing exercises.

The IRO reviewer opined:

Physical therapy for this episode of care started on 8/16/21 and, per note of 10/20/21, did not test the [injured person's] prior level of function test of: 5x Sit to Stand, [Timed Up and Go 'TUG'], and 6-minute walk tests. The next note that did test these prior level of function tests was the note of 11/8/21. On this note, it indicated that the [injured person] had returned to the prior level of function in the TUG test, but still had a decline in the 5x Sit to Stand and 6-minute walk test.

Per guidelines, the [injured person] should be treated at the frequency of 2 times per week for 4 weeks after which the provider should perform a re-evaluation to support continued medical necessity.

The IRO reviewer recommended that the Director reverse the Respondent's determination that the physical therapy treatment provided to the injured person on October 20, 2021 was not medically necessary in accordance with medically accepted standards, as defined by R 500.61(i).

#### IV. ORDER


The Director reverses the Respondent's determination dated November 23, 2021.

The Petitioner is entitled to reimbursement in the amount payable under MCL 500.3157 for the treatment on the date of service discussed herein, and to interest on any overdue payments as set forth in Section 3142 of the Code, MCL 500.3142. R 500.65(6). The Respondent shall, within 21 days of this order, submit proof that it has complied with this order.

This order applies only to the treatment and date of service discussed herein and may not be relied upon by either party to determine the injured person's eligibility for future treatment or as a basis for action on other treatment or dates of service not addressed in this order.

This is a final decision of an administrative agency. A person aggrieved by this order may seek judicial review in a manner provided under Chapter 6 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.301 to 24.306. MCL 500.244(1); R 500.65(7). A copy of a petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of Research, Rules, and Appeals, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox  
Director  
For the Director:

X 

---

Sarah Wohlford  
Special Deputy Director  
Signed by: Sarah Wohlford